

Message Text

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FM AMEMBASSY KIGALI
TO SECSTATE WASHDC PRIORITY 6480

LIMITED OFFICIAL USE SECTION 1 OF 2 KIGALI 1294

STADIS

C O R R E C T E D C O P Y (PARA ONE, LINE THREE)

FOR AF MOOSE AND S/P LAKE FROM AMBASSADOR

E.O. 11652: N/A
TAGS: ECON, XA
SUBJECT: FOREIGN ECONOMIC POLICY TOWARD AFRICA

REF STATE 164983

SUMMARY: IMPROVING OUR AID PERFORMANCE IN RWANDA DEPENDS, AHEAD OF ALL ELSE, ON RECOGNIZING THAT THE CAUSE OF RWANDA'S UNDERDEVELOPMENT IS ITS POVERTY. INCREASED VOLUME OF AVAILABLE AID FUNDS OR ALTERED THRUST OF OUR PROGRAM WILL NOT MAKE MUCH DIFFERENCE UNTIL WE BEGIN TO ADJUST THE WAY WE OPERATE -- PROCEDURES, COMPLEXITY, TECHNICAL DESIGN, AND POLITICAL COMMITMENT -- TO THE REALITY AND CONSTRAINTS OF POVERTY. WE MUST SIMPLIFY, CLARIFY, AND RESIST TEMPTATION TO OFFER GRATUITOUS ADVICE IN LIEU OF CAPITAL GOODS. OTHERWISE, RWANDA'S POVERTY AND ITS IMPOVERISHED-BUT-PROUD VIEW OF THE US WILL CONTINUE TO FRUSTRATE OUR EFFORTS TO BE HELPFUL. END SUMMARY.

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1. FIRST OF ALL, RWANDA IS POOR -- SO POOR THAT ITS POVERTY BECOMES THE CHIEF IMPEDIMENT TO SPEEDY AND EFFECTIVE TRANSFER OF US DEVELOPMENT RESOURCES. (STRANGE WE SHOULD SO OFTEN FORGET, OR MERELY DISREGARD, THIS ELEMENTAL FACTOR.) POVERTY IMPEDES OUR DEVELOPMENT EFFORT IN SEVERAL WAYS:

A. RWANDA IS POOR COMPARED TO U.S.. IT IS IN FACT AMONG THE FIVE POOREST COUNTRIES IN THE WORLD. IT BELIEVES THAT RESOURCE TRANSFERS WHICH WOULD GO UNNOTICED IN OUR MULTI-BILLION DOLLAR BUDGETS COULD HAVE DRAMATIC IMPACT UPON RWANDAN DEVELOPMENT (CORRECT). THEREFORE ITS GOVT GROWS PEEVISH AND IMPATIENT AT OUR "MICRO-PROJECT" PROPOSALS AND OUR TENTATIVE, STEP-BY-STEP APPROACH. LIKE REALLY POOR PEOPLE ELSEWHERE, RWANDANS ARE PROUD ENOUGH TO REJECT WHAT SEEM TO THEM CRUMBS FROM OUR RICH TABLE. PRESIDENT AND FONMIN PROFESS TO BE EMBARRASSED TO SIGN PROAGS FOR WHAT WE BELIEVE ARE "APPROPRIATE-SCALE" OR "PHASED" PROJECTS: COUNCIL OF MINISTERS WOULD LAUGH AT THEM, THEY SAY, AND RIDICULE MEAGER RETURNS FROM US-RWANDAN COOPERATION. THEY'RE WILLING TO LET SUCH PROJECTS GATHER DUST, THEREFORE, WHILE THEY PRESS US FOR THE BIG IMPACT ITEMS COMMENSURATE WITH OUR WEALTH.

B. RWANDA IS POOR BUREAUCRATICALLY. RWANDAN WOODS ARE FULL OF POTENTIAL DONORS, SINCE THE COUNTRY PERFECTLY FITS ALL THOSE UNCTAD CRITERIA, AND EACH DONOR IS PRESSING REAMS OF PROJECT PAPERS ON GOR BUREAUCRATS. COMPETENT GOR DECISION-MAKERS CAN BE COUNTED ON FINGERS OF TWO HANDS, AND THEY ARE SIMPLY SWAMPED. PROJECTS WHICH EMERGE AND ARE SIGNED AT OTHER END OF THIS CLOGGED SYSTEM ARE NATURALLY THOSE WHICH ARE SIMPLEST, MOST STRAIGHTFORWARD, MOST DIRECTLY RESPONSIVE TO GOR PRIORITIES -- AND OF COURSE MOST SUBSTANTIAL IN DOLLAR TERMS. THESE DECISION-MAKERS HAVE LITTLE TIME TO DISCUSS FINE LIMITED OFFICIAL USE

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POINTS OF DEVELOPMENT THEORY: "GET THE PROJECT SIGNED AND STARTED, AND WE'LL WORK OUT DETAILS DOWN THE ROAD."

C. RWANDA IS POOR MATERIALLY. BUT POVERTY IS NOT NECESSARILY THE SAME AS IGNORANCE. IN GOR VIEW, RWANDA IS UNDERDEVELOPED NOT RPT NOT BECAUSE IT DOESN'T KNOW HOW TO BUILD MODERN INSTITUTIONS OR MANAGE ITS ECONOMIC HOUSHOLD, BUT RATHER BECAUSE IT LACKS WEALTH-- RAW MATERIALS, CAPITAL EQUIPMENT, TECHNOLOGY. AS PRESIDENT SAYS, "FARMERS DON'T NEED 'ENCOURAGEMENT', 'CATALYSTS', 'COMMUNITY RESTRUCTURING'; THEY NEED HOES, FERTILIZERS, AND IMPROVED SEEDS." (FONMIN LIKES TO REFER TO POOR COUNTRIES AS "UNDER-EQUIPPED" RATHER THAN UNDER-DEVELOPED). CONSEQUENTLY, RWANDANS BECOME ANTSY OVER HEAVY LAYERS OF SOCIAL ENGINEERING IN OUR PROJECTS AND OVER OUR DISDAIN OF "MERE" COMMODITY DROPS AND BRICKS AND MORTAR.

D. RWANDA IS NOT RPT NOT POOR ON PURPOSE. RWANDANS BADLY WANT IMPROVEMENT IN LIVING STANDARDS, GOR IS DEVOTED HEART-AND-SOUL TO BROAD-BASED DEVELOPMENT, AND PLANNERS HAVE MAPPED OUT A SOLID STRATEGY FOR GROWTH BASED ON WHAT THEY BELIEVE NEEDS DOING. THEIR REQUESTS COME TO US IN TERMS OF "FINANCE AND EQUIP"

SUCH-AND-SUCH PROJECT, OR MAYBE "ASSIST IN DESIGNING" A COMPLEX UNDERTAKING, BUT NEVER IN TERMS OF "WHAT SHOULD WE DO?" THEY WANT CAPITAL, NOT ADMECE. THUS THEY BALK WHEN OUR EXPERTS COME UP WITH PRESCRIPTIONS WHICH DIFFER FROM WHAT THEY HAD IN MIND: SMALL, COOPERATIVE-RUN GRAIN SILOS, FOR INSTANCE, RATHER THAN A CENTRALIZED NATIONAL FOOD STORAGE NETWORK. THEY'RE NOT AT ALL SURE WE KNOW BETTER THAN THEY DO (NOR AM I).

E. RWANDA IS IMPATIENT ABOUT ITS POVERTY. UNDER-DEVELOPMENT SEEMS TO BREED A SHORT SENSE OF TIME INTO THOSE WHO SERIOUSLY SEEK TO OVERCOME IT. RWANDAS CANNOT UNDERSTAND WHY, ALMOST TWO YEARS AFTER REOPENING OUR USAID OFFICE HERE, WE STILL HAVEN'T SIGNED ON FOR ANY OF THE MAJOR DEVELOPMENT PROJECTS CATALOGED INTO THEIR FIVE-YEAR PLAN. LIMITED OFFICIAL USE

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THEY RECOGNIZE THAT STREAMS OF AMERICAN DESIGN EXPERTS HAVE PASSED THROUGH AND THAT REAMS OF PAPERS HAVE BEEN WRITTEN, BUT--TO QUOTE PRESIDENT AGAIN -- "PEOPLE CAN'T EAT PAPERS." RESULT: BUREAUCRATS AND TECHNICIANS TIRE OF BEING INTERVIEWED, HAVING HOPES BUILT UP, AND SEEING NOTHING HAPPEN; LESS AND LESS REAL COLLABORATION TAKES PLACE, OUR PID'S AND FP'S BECOME MORE AND MORE IRRELEVANT, AND PROJECTS MOVE MORE SLOWLY THAN EVER THROUGH GOR MILL.

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ACTION SP-02

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FM AMEMBASSY KIGALI

TO SECSTATE WASHDC PRIORITY 6481

LIMITED OFFICIAL USE SECTION 2 OF 2 KIGALI 1294

STADIS//////////

2. HOW THEN TO OVERCOME OBSTACLES OF POVERTY AND SPEED

EFFECTIVE TRANSFER OF RESOURCES TO RWANDA? MY ANSWER IS
HARDLY "IMAGINATIVE": IT IS THAT WE MUST RECOGNIZE RWANDA IS
POOR AND ADAPT OUR DELIVERY SYSTEMS ACCORDINGLY. ABOVE
ALL WE MUST SIMPLIFY AID PROCEDURES:

--SHORT-CUT THE GHASTLY SUCCESSION OF STUDIES AND REVIEWS
WHICH SEEM REQUIRED FOR EVEN THE SMALLEST PROJECT AND
CONSUME ENDLESS HOURS OF PREPARATION AND EXAMINATION WITHIN
BOTH RWANDAN AND US BUREAUCRACIES. ASK IN EVERY CASE, "DID
CONGRESS REALLY INTEND THIS FOR RWANDA?" "IS THIS STUDY
REALLY ESSENTIAL TO JUDGING PROJECT'S VIABILITY, OR ARE WE
MERELY COLLECTING DATA TO JUSTIFY OUR JOBS/COVER OUR TAILS?"

--ADOPT BANKERS'S TAKE-IT-OR-LEAVE-IT APPROACH TO RWANDAN
REQUESTS, RATHER THAN INSIST THEY BE REVISED AND REDESIGNED
IN OUR OWN IMAGE (IT DOES NOT HELP THAT OUR OWN DESIGNERS
REVISE THEM, IT MERELY ADDS HUMILIATION TO THE NUISANCE).
IF PROPOSED PROJECT STANDS A FAIR CHANCE OF SUCCEEDING ON ITS
OWN TERMS AND FITS INTO CONGRESSIONAL MANDATE (AS DO MOST OF
GORR'S), COMMIT FUNDS AND GET IT GOING. IF NOT, RESIST
FIDDLEING WITH IT -- REJECT IT.

-- REDUCE "SOCIAL ENGINEERING" AND PROHIBIT SOCIOLOGISTS FROM
TURNING LDC'S INTO EXPERIMENTAL LABS FOR DOCTORAL DISSERTATIONS.
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THE ONLY SOCIAL EXPERIMENTATION WITH DEVELOPMENTAL VALUE
IS THAT DONE BY DEVELOPING PEOPLES THEMSELVES. DESIGNERS WHO
WANT TO BUILD "FEEDBACKS," "INTERFACING," "MODULES," "CROSS-
CHECKS," AND "EVALUATIONS" ONTO PROJECTS FOR WHICH RWANDANS
HAVE ONLY ASKED OUR FINANCING SHOULD BE POLITELY TOLD TO STAY
AT HOME AND EXPERIMENT ON THEIR NEIGHBORS.

--AND IT'S NOT JUST RWANDANS WHO SUFFER FROM OUR "SOCIAL
ENGINEERING" PENCHANT: IT IS THIS SOFT-WARE INGREDIENT IN
PROJECT PLANNING AND IMPLEMENTATION WHICH IS SO TERRIBLY COSTLY IN
TERMS OF EMBASSY LOGISTICAL SUPPORT. ALL OVER AFRICA, EFFECTIVE
TRANSFER OF RESOURCES IS BEING IMPEDED BY EMBASSIES' INABILITY
TO COPE WITH BURGEONING NUMBERS OF AID PERSONNEL, MOST OF WHOM
IN TURN ARE REQUIRED BY COMPLEX DEMANDS OF "SOCIAL ENGINEERING"
PROJECTS. MORE DEVELOPMENT RESOURCES MOVE FASTER, WITH MUCH
LESS ADMINISTRATIVE OVERHEAD, WHEN PROJECTS STRESS TANGIBLE
CAPITAL TRANSFERS RATHER THAN PRESUMPTUOUS "INSTITUTION
BUILDING." LET'S DO WHAT WE DO WELL, MOVE CAPITAL GOODS AND
TECHNOLOGY, AND LET RWANDANS MANAGE THEIR OWN INSTITUTIONS.

--FINALLY, A WAY MUST BE FOUND TO ALLOW US TO PROCEED
BEYOND "POLITICAL" STAGE OF PROJECT AGREEMENTS BEFORE EVERY
TECHNICAL JOG-AND-TITTLE IS WORKED OUT. UNLIKE MOST OTHER
DONORS, WE INSIST ON DEFINING PROJECTS DOWN TO THE LAST

DETAIL BEFORE MAKING FORMAL COMMITMENTS. AS A CONSEQUENCE, (A) WE GIVE GOR POLITICAL-LEVEL OFFICIALS (E.G., FOREIGN MINISTER) A VIRTUAL LINE-ITEM VETO ON PROJECT DETAILS ABOUT WHICH THEY ARE GENERALLY INCOMPETENT (YOU SHOULD HEAR FONMIN'S "MY DADDY DID IT THIS WAY" ARGUMENTS WHEN WE TRY TO NEGOTIATE SUCH PROJECTS*); (B) WE LIMIT OUR ABILITY TO PLAN PROJECTS WITH GOR TECHNICAL LEVEL, SINCE THEIR INVOLVEMENT MUST USUALLY AWAIT POLITICAL GREEN LIGHT; AND (C) WE EXPEND ENORMOUS MONEY AND ENERGY ON DETAILED PROJECT PLANNING WHICH MAY EVENTUALLY BE WASTED LIMITED OFFICIAL USE

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FOR LACK OF POLITICAL AGREEMENT. HOW MUCH MORE SENSIBLE, HOW MUCH MORE SATISFYING POLITICALLY, AND HOW MUCH LESS WASTEFUL, IF FONMIN AND I COULD SIGN A SIMPLE, BRIEF AGREEMENT COMMITTING U.S. AND RWANDA TO COOPERATE OVER PERIOD OF FIVE YEARS, SAY, IN FIELD OF RURAL HEALTH, UP TO MAXIMUM "X" DOLLARS--WITH PROJECT DETAILS TO BE LEFT TO OUR RESPECTIVE TECHNICAL SERVICES VIA LETTERS OF IMPLEMENTATION OR SOME SIMILAR MECHANISM. I RECOGNIZE THIS APPROACH FLIES IN FACE OF SOME EXISTING LEGISLATION, BUT LESS I SUSPECT THAN CONGRESS REALLY INTENDED. SUPER-CAUTIOUS SWISS AND BANKER-MINDED EEC PROCEED THIS WAY; WHY NOT U.S.?

3. IN SUM, WHILE I APPLAUD S/P'S CONCERN FOR VOLUME AND THRUST OF OUR ASSISTANCE PROGRAM AND GENERALLY ENDORSE VIEWS SET FORWARD REFTEL, I AM EMZIOPTIMISTIC THAT WE WILL IMPROVE OUR PERFORMANCE MUCH UNLESS WE RADICALLY CHANGE MANNER RPT MANNER IN WHICH WE GO ABOUT THE DEVELOPMENT BUSINESS. IT IS NO USE BLAMING RWANDAN UNDERDEVELOPMENT AND ITS BUREAUCRATIC EFFECTS FOR IMPEDING OUR EFFORTS TO HELP. MUCH BETTER AND MORE SENSIBLE, IT SEEMS TO ME, WOULD BE TO REMOLD OUR OWN MODUS OPERANDI SO AS TO FIT REALITIES OF HTAT UNDERDEVELOPMENT.

4. THUS, LESSONS WE DRAW FROM PAST TWO YEARS'HFRUSTRATIONS, TRYING HARD TO DO WHAT WE AND RWANDAS BASICALLY WANT TO DO TOGETHER, ARE THESE: (A) SUBSTANTIVELY WE'RE ON THE RIGHT TRACK--CONGRESS' MANDATE FITS PRETTY WELL HERE; (B) PROCEDURALLY, WE HAVE THE CART BEFORE THE HORSE--WE NEED TO BE ABLE TO MAKE A POLITICAL COMMITMENT MUCH EARLIER IN THE GAME; (C) TECHNICALLY, OUR DESIGNS PLACE FAR TOO MUCH EMPHASIS ON DEVELOPMENTAC 3SOFTWARE," WITH ALL ITS ATTENDANT SUPPORT PROBLEMS FOR BOTH EMBASSY F8"\$*"; AND NOT ENOUGH ON THE "HARDWARE" RWANDA REALLY NEEDS; AND (D) PHILOSOPHICALLY, WE'RE TOO INCLINED TO MAKE RWANDA'S DEVELOPMENT DECISIONS FOR IT, PARTICULARLY SINCE THEIR GOALS COINCIDE SO CLOSELY WITH THOSE OF CONGRESS. TO TRANSFER MORE RESOURCES MORE EFFECTIVELY LIMITED OFFICIAL USE

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INTO RWANDA, WE MUST SIMPLIFY, CLARIFY, AND MEDDLE LESS.
CRIGLER

NOTE BY OC/T: TELEGRAM DELAYED IN TRANSMISSION.

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Message Attributes

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